

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION**

**FINANCIAL REPORT**

**AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2007 AND 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

12/12/07

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION**

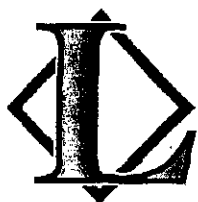
**JUNE 30, 2007**

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**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The University of Louisiana at Monroe  
Athletic Foundation  
(A Nonprofit Organization)

We have audited the accompanying statements of financial position of The University of Louisiana at Monroe Athletic Foundation (the Foundation) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The University of Louisiana at Monroe Athletic Foundation as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1, 2 and 3 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Little & Associates, LLC*

Monroe, Louisiana  
November 15, 2007

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2007	2006
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 68,924	\$ 76,470
Investments, at Market	84,490	81,298
Accounts Receivable	54,333	32,000
Accounts Receivable - Life Insurance Proceeds	34,132	-
Contributions Receivable - Suites	-	14,320
Restricted Deposits		
Cash and Cash Equivalents	120,563	252,245
Bank Trust Funds		
Cash and Cash Equivalents	6,787	31,854
Investments, at Market	430,378	206,308
Securities	4,700	4,700
Cash Surrender Value of Life Insurance	336,981	317,821
Loan Fees (net of Accumulated Amortization of \$851 in 2007 and \$638 in 2006)	1,274	1,488
Advance Deposits on Malone Stadium Suites, net of Accumulated Amortization of \$565,617 in 2007 and \$502,771 in 2006	62,847	125,693
Property and Equipment, net of Accumulated Depreciation of \$61,030 in 2007 and \$202,904 in 2006	384,276	647,240
<b>TOTAL ASSETS</b>	<b>\$ 1,589,685</b>	<b>\$ 1,791,437</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 41,645	\$ 63,797
Accrued Interest Payable	1,724	3,071
Notes Payable	489,137	547,746
Total Liabilities	532,506	614,614
<b>Net Assets</b>		
Unrestricted	465,871	648,754
Temporarily Restricted, Programs	132,612	101,235
Temporarily Restricted, Scholarships	20,872	20,865
Permanently Restricted	437,824	405,969
Total Net Assets	1,057,179	1,176,823
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,589,685</b>	<b>\$ 1,791,437</b>

The accompanying notes are an integral part of these financial statements.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	2007				
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>		<u>Permanently Restricted Endowment Principal</u>	<u>TOTAL 2007</u>
		<u>Programs</u>	<u>Scholarships</u>		
<b>SUPPORT, REVENUES AND GAINS</b>					
<b>Support</b>					
Contributions - Cash	\$ 267,174	\$ 189,197	\$ -	\$ 24,612	\$ 480,983
Contributions - Non Cash	344,859	92,191	-	-	437,050
Total Support	<u>612,033</u>	<u>281,388</u>	<u>-</u>	<u>24,612</u>	<u>918,033</u>
<b>Revenues and Gains</b>					
Investment Income	17,398	-	15,688	7,217	40,303
Other Income	489,550	120,700	-	-	610,250
Total Revenues and Gains	<u>506,948</u>	<u>120,700</u>	<u>15,688</u>	<u>7,217</u>	<u>650,553</u>
<b>Net Assets Released from Restrictions</b>					
Restrictions Satisfied by Payments	<u>433,191</u>	<u>(417,536)</u>	<u>(15,655)</u>	<u>-</u>	<u>-</u>
<b>Total Support, Revenues and Gains</b>	<u>1,552,172</u>	<u>(15,448)</u>	<u>33</u>	<u>31,829</u>	<u>1,568,586</u>
<b>EXPENSES</b>					
<b>Program Services</b>					
General Scholarships	15,655	-	-	-	15,655
University & Sports Promotion	387,176	-	-	-	387,176
Departmental Expenses	212,127	-	-	-	212,127
Staff Support	253,161	-	-	-	253,161
Depreciation and Amortization	73,733	-	-	-	73,733
Total Program Services	<u>941,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,852</u>
<b>Supporting Services</b>					
Interest Expense	33,670	-	-	-	33,670
Miscellaneous Expense	7,811	-	-	-	7,811
Materials & Supplies	222,749	-	-	-	222,749
Professional Services	134,436	-	-	-	134,436
Fund Raising	92,968	-	-	-	92,968
Lease House Expense	2,454	-	-	-	2,454
Donation of Assets to University	252,290	-	-	-	252,290
Total Supporting Services	<u>746,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>746,378</u>
<b>Total Expenses</b>	<u>1,688,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,688,230</u>
<b>Change in Net Assets</b>	(136,058)	(15,448)	33	31,829	(119,644)
<b>Transfers In/(Out)</b>	(46,825)	46,825	(26)	26	-
<b>Net Assets-Beginning of Year</b>	<u>648,754</u>	<u>101,235</u>	<u>20,865</u>	<u>405,969</u>	<u>1,176,823</u>
<b>Net Assets-End of Year</b>	<u>\$ 465,871</u>	<u>\$ 132,612</u>	<u>\$ 20,872</u>	<u>\$ 437,824</u>	<u>\$ 1,057,179</u>

The accompanying notes are an integral part of these financial statements.

2006

Unrestricted	Temporarily Restricted		Permanently Restricted Endowment Principal	Total 2006
	Programs	Scholarships		
\$ 203,066	\$ 128,345	\$ -	\$ 29,560	\$ 360,971
394,652	46,230	-	-	440,882
597,718	174,575	-	29,560	801,853
11,254	-	8,228	-	19,482
370,968	117,725	-	-	488,693
382,222	117,725	8,228	-	508,175
317,594	(308,380)	(9,214)	-	-
1,297,534	(16,080)	(986)	29,560	1,310,028
8,195	-	-	-	8,195
478,362	-	-	-	478,362
160,355	-	-	-	160,355
280,844	-	-	-	280,844
105,384	-	-	-	105,384
1,033,140	-	-	-	1,033,140
39,402	-	-	-	39,402
9,550	-	-	-	9,550
162,430	-	-	-	162,430
31,140	-	-	-	31,140
103,231	-	-	-	103,231
5,531	-	-	-	5,531
-	-	-	-	-
351,284	-	-	-	351,284
1,384,424	-	-	-	1,384,424
(86,890)	(16,080)	(986)	29,560	(74,396)
180,850	(180,850)	986	(986)	-
554,794	298,165	20,865	377,395	1,251,219
\$ 648,754	\$ 101,235	\$ 20,865	\$ 405,969	\$ 1,176,823

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
STATEMENTS OF CASH FLOWS**

	<b>Year Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash Flows From Operating Activities</b>		
Increase (Decrease) in Net Assets	\$ (119,644)	\$ (74,396)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	73,733	105,596
Transfer of Fixed Assets to University	252,290	-
Non Cash Contribution of Equipment	-	(3,500)
Change in:		
Accounts Receivable and Contributions Receivable-Suites	(42,145)	68,131
Cash Surrender Value of Life Insurance Policies	(19,160)	(29,439)
Accounts Payable	(22,152)	18,618
Interest Payable	(1,347)	(3,672)
Deferred Revenue	-	(6,000)
Total Adjustments	<u>241,219</u>	<u>149,734</u>
Net Cash Provided (Used) by Operating Activities	121,575	75,338
<b>Cash Flows From Investing Activities</b>		
(Increase) Decrease in Bank Trust Funds	(224,069)	4,943
Purchase of Investment in CD	(3,192)	(1,506)
Purchases of Fixed Assets, net	-	(64,912)
Net Cash Provided (Used) by Investing Activities	<u>(227,261)</u>	<u>(61,475)</u>
<b>Cash Flows From Financing Activities</b>		
Repayments of Debt	<u>(58,609)</u>	<u>(65,195)</u>
Net Cash Provided (Used) by Financing Activities	<u>(58,609)</u>	<u>(65,195)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(164,295)	(51,332)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>360,569</u>	<u>411,901</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 196,274</u>	<u>\$ 360,569</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
STATEMENTS OF CASH FLOWS (CONCLUDED)**

	<b>Year Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>CASH AND CASH EQUIVALENTS INCLUDED ON STATEMENT OF FINANCIAL POSITION:</b>		
Cash in Banks	\$ 189,487	\$ 328,715
Cash in Bank Trust Funds	6,787	31,854
<b>TOTAL CASH AND CASH EQUIVALENTS AS INCLUDED ON STATEMENT OF FINANCIAL POSITION</b>	<b>\$ 196,274</b>	<b>\$ 360,569</b>
 Cash Paid for Interest	 \$ 35,017	 \$ 43,074

The accompanying notes are an integral part of these financial statements.



**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

**Note 1 – Organization and Summary of Significant Accounting Policies**

The University of Louisiana at Monroe Athletic Foundation (the Foundation) is a legally autonomous fund-raising foundation that raises funds for the benefit of student-athletes at the University of Louisiana at Monroe (the University) and to enhance the University's image through athletic excellence. The mission of the Foundation is to raise funds for athletic scholarships; help finance all support groups with travel, materials and supplies, and equipment; and to build, upgrade and maintain the University's athletic facilities.

The stated duties of the Foundation are to select and form an interested sports group to act as a 40-person Board of Directors and leaders of the annual fund drive; to keep and maintain up-to-date records on all donors, both present and past; to form, guide and direct various satellite clubs in north Louisiana towns so that interest in the University will be created and maintained; to create and act on special projects for extra funds; and to aid and assist with promoting and marketing the University's athletic teams.

The most visible products of the University are the athletic teams fielded by the University. Images are created by what people perceive you to be. Through local and national news media coverage, it is the desire and commitment of the Foundation to make the University the best it can be with the student-athletes leading the way.

**Basis of Presentation**

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit and Accounting Guide for Not-For-Profit Organizations*.

**Financial Statement Classification**

The net assets of the Foundation are reported in three classes as follows:

1. Unrestricted - includes all resources received without donor restrictions to be used in support of the Foundation's operations at the sole discretion of the Foundation. Resources that are temporarily restricted by the donor when given, but are relieved of the restriction during the year, are carried as unrestricted.
2. Temporarily Restricted - includes amounts that have been donated subject to donor-imposed stipulations that will or will not be met by action of the Foundation and/or the passage of time.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

**Note 1 – Organization and Summary of Significant Accounting Policies (Continued)**

Financial Statement Classification (Continued)

3. Permanently Restricted - represents amounts contributed to the Foundation that are subject to restrictions imposed by the gift instruments. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on the related investments for general or specific purposes as may be expressed by the donor.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received. Contributions that are temporarily restricted when received from the donor, but the restrictions are satisfied in the same year, are recorded as unrestricted contributions.

Donated Services and Materials

Non-cash donations include both materials and services. These donations are recorded at their fair market value on the date of donation. Donated services are recognized only when they create or enhance a non-financial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the years ended June 30, 2007 and 2006, the Foundation received various donations of materials and/or services in the amount of \$437,050 and \$440,882 respectively, which enhanced the Foundation as a whole.

Investment Policies

Marketable equity securities for which a fair market value is not readily determinable are recorded at estimated amortized cost. Investments in debt securities and marketable equity securities for which fair market value is readily determinable are reported at fair value. Gains and losses on all investments are recorded as increases or decreases (as appropriate) in net assets in the accompanying Statement of Activities.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

**Note 1 – Organization (Continued)**

**Income Tax Status**

The Foundation is a nonprofit corporation exempted from Federal income taxes as other than a private Foundation under Section 501(c) (3) of the Internal Revenue Code.

**Cash Equivalents**

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

**Note 2 - Property and Equipment**

Property and equipment are recorded at cost on the date of purchase or fair market value on the date of donation. Capitalization policies of the Foundation are in accordance with the threshold as prescribed by the Louisiana Legislature. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 40 years. During the year ended June 30, 2007, the assets of the Foundation were transferred to the University. The balances of property and equipment owned by the Foundation by major category are as follows at June 30,

	<u>2007</u>	<u>2006</u>
Van for golf team	\$ 18,333	\$ 18,333
Weight equipment	-	79,696
Other	-	42,009
Computer Equipment	-	3,086
Furniture and fixtures	-	74,797
Equipment-Baseball	-	8,963
Equipment-Football	-	40,482
Equipment-Tennis & Track	-	7,682

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

**Note 2 - Property and Equipment (Continued)**

Equipment-Fan	-	1,900
Equipment-Golf	-	1,761
House	426,973	426,973
Construction in Progress	-	142,962
Accessories-Malone Suites	-	1,500
Total	445,306	850,144
Less: Accumulated depreciation	(61,030)	(202,904)
Net	<u>\$ 384,276</u>	<u>\$ 647,240</u>

Depreciation and amortization expense for the years ended June 30, 2007 and 2006, was \$73,733 and \$105,384, respectively.

**Note 3 - Bank Trusts**

The investments held at June 30, 2007 and 2006, include the following which are stated at their fair values as determined by the various banks that maintain the trust accounts. The types of investments are as follows at June 30,

	<u>2007</u>	<u>2006</u>
Cash Equivalents	\$ 6,787	\$ 31,854
Corporate Bonds	119,926	-
CDs	89,493	-
Mutual Funds	<u>220,959</u>	<u>206,308</u>
<b>TOTAL BANK TRUST FUNDS</b>	<u><b>\$ 437,165</b></u>	<u><b>\$ 238,162</b></u>

Bank trust fund investment return is summarized as follows for the years ended June 30,

	<u>2007</u>	<u>2006</u>
Interest and dividend income	\$ 10,534	\$ 7,928
Net realized and unrealized gains/(losses)	<u>11,109</u>	<u>(4,943)</u>
<b>TOTAL</b>	<u><b>\$ 21,643</b></u>	<u><b>\$ 2,985</b></u>

**Note 4 - Insurance Program**

During fiscal 1991, the Foundation began an insurance program whereby boosters could make their contributions in the form of life insurance policies. Each contributor's life insurance is funded by the insured with the Foundation as the

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

**Note 4 - Insurance Program (Continued)**

owner and beneficiary. Increases in cash surrender values are recorded as reductions of insurance expense.

For the year ended June 30, 2007, contributions in the form of premiums of \$23,540 were made. The cash value of these policies increased by \$19,160.

For the year ended June 30, 2006, contributions in the form of premiums of \$20,032 were made. The cash value of these policies increased by \$29,439.

**Note 5 - Funds Available for Scholarships**

Included in the Statements of Financial Position under temporarily restricted net assets are funds available for scholarships. These consist of earnings from invested endowment funds. Changes in funds available during the year ended June 30, 2007 and 2006, were as follows:

	<u>2007</u>	<u>2006</u>
Funds available - Beginning of Year	\$ 20,865	\$ 20,865
Contributions	-	-
Earnings	15,688	8,228
Other Revenue	-	-
Scholarships and support	(15,655)	(9,214)
Transfers	<u>(26)</u>	<u>986</u>
Funds available - End of Year	<u>\$ 20,872</u>	<u>\$ 20,865</u>

**Note 6 - Contributions Receivable-Suites**

Contributions Receivable - Suites represents the net present value of amounts committed to be paid to the Foundation over a ten-year period by beneficiaries granted rights to use the Malone Stadium Suites.

**Note 7 - Advance Deposits on Malone Stadium Suites**

The Foundation paid the State of Louisiana for the Malone Stadium Suites as costs were incurred. In return for payment for the suites, the Foundation received the right to use the suites to further the mission of the Foundation. Since the foundation does not own the suites, the amounts paid for these rights are to be amortized over the ten-year life of the initial agreements entered into with the contributors. Amortization expense of \$63,059 and \$62,847 is included in the accompanying financial statements for the years ending June 30, 2007 and 2006.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

**Note 8 - Notes Payable and Long-term Debt**

On May 21, 2004, the Foundation obtained financing from Capital One Bank in the amount of \$235,000. The proceeds from the loan were used to refinance a loan agreement for construction bearing an annual interest rate of 8.00% maturing on February 11, 2008. This new loan bears interest at a rate of 4.75% per annum, which is to be paid in quarterly payments beginning August 21, 2004. The loan is payable upon demand and if no demand is made, then the loan will be repaid in annual principal reduction payments in the amount of \$47,000 starting on February 11, 2005 and ending February 11, 2009. The loan is secured by the assignment of rents and leases.

On June 20, 2003, the Foundation obtained financing from American Horizons Bank, which is now Iberia Bank. The loan, in the original amount of \$425,000, bears interest at an annual rate of prime plus 1.00%. The interest is to be paid in quarterly installments. The proceeds from the loan were used to purchase a house and property, which also serves as collateral for the loan along with the assignment of leases and rents. As of October 31, 2005 the loan was refinanced with a principal amount of \$425,121 with Iberia Bank at 6.5% interest rate payable in monthly installments of principal and interest in the amount of \$3,707 until the maturity date of November 5, 2010. At that time a lump sum payment of \$328,336 will be due. The loan is also secured by the assignment of cash surrender value of all life insurance policies owned by the Foundation.

Debt service to maturity is as follows:

Years Ending			
June 30,	<u>Capital One</u>	<u>Iberia</u>	<u>Total</u>
2008	\$ 91,246	\$ 19,112	\$ 110,358
2009	-	20,467	20,467
2010	-	21,838	21,838
2011	-	336,474	336,474
Total	<u>\$ 91,246</u>	<u>\$ 397,891</u>	<u>\$ 489,137</u>

Interest expense for the years ended June 30, 2007 and 2006 was \$33,670 and \$39,402, respectively.

**THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

**Note 9 - Disclosures About Risk and Concentrations**

The Foundation's financial instruments consist primarily of cash, investments in bank trust funds, cash surrender value of life insurance policies and contributions receivable. Cash held by financial institutions is insured through the FDIC. However, the Foundation faces credit risk with the balance in its sweep account, investments held in the bank trust funds, and the cash surrender value of life insurance policies. These risks are mitigated as much as possible through the utilization of high-quality, credit-worthy financial institutions and insurance carriers. Market risk faced by the investments held in the bank trust funds is mitigated through diversification. Contributions receivable on the suites are stated at their net present value using a discount rate of 8%, which is a reasonable estimate of the fair value of these receivables. No collateral is required on contributions receivable and accounts receivable. At June 30, 2007, the Foundation's uninsured cash balances in Bank One-Chase totaled \$40,946.

**Note 10 - Related Parties - Operating Lease**

The Foundation entered into an operating lease with the University of Louisiana at Monroe to lease a house that was purchased by the Foundation during the year ended June 30, 2003, at a cost of \$424,849. Rental payments of \$3,333 are payable monthly to the Foundation throughout the lease periods from July 1, 2004 through June 30, 2005, July 1, 2005 through June 30, 2006 and July 1, 2006 through June 30, 2007. The lease agreement was renewed for one additional year. The Foundation is responsible for maintaining the property, paying all taxes and governmental charges imposed on the property and providing adequate property and liability insurance. The property shall be used and operated only in compliance with all governmental requirements.

**Note 11 - Contingencies**

During review of the Athletic Foundation minutes it was noted that the head football coach received a three year extension on his contract which started on December 31, 2006. If the football coach is terminated for any reason, the University is responsible for the current year's salary and any remaining years are the responsibility of the Athletic Foundation. All incentives of the football coach are the responsibility of the Athletic Foundation. The contract is on file at the University.

**Note 12 - Reclassifications**

Certain accounts in the prior year's financial statements have been reclassified to conform to the current year's financial statements' presentation.

## **SUPPLEMENTARY INFORMATION**



**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION**  
**ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

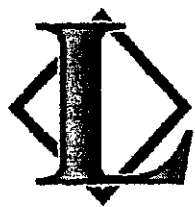
Temporarily Restricted Funds	Balance June 30, 2006	Contributions	Other Revenue	Transfers/ Reclasses From (To)	Scholarships	Other Expenses	Balance June 30, 2007
	\$	\$	\$	\$	\$	\$	\$
Athletic Administration	-	1,617	1,064	-	-	(500)	2,181
Championship Ring Fund	1,084	1,800	-	1,158	-	(4,042)	-
Baseball	7,713	123,771	25,073	-	-	(137,982)	18,575
Baseball Construction	1,646	-	-	-	-	(1,646)	-
Baseball Inning Sponsor	-	875	-	(875)	-	-	-
Men's Basketball	-	18,929	-	-	-	(16,695)	2,234
Women's Basketball	6,125	7,706	-	-	-	(2,145)	11,686
Strength	3	-	-	-	-	-	3
Football	-	60,044	835	38,529	-	(99,408)	-
Football Camp	231	1,000	17,971	-	-	(18,809)	393
Golf	12,056	30,397	53,563	-	-	(89,456)	6,560
Soccer	4,456	22,429	7,200	-	-	(22,748)	11,337
Softball	9,572	6,031	4,168	-	-	(7,451)	12,320
Women's Tennis	6,219	2,080	2,383	-	-	(1,152)	9,530
Men's Track	4,907	4,209	8,323	-	-	(15,103)	2,336
Volleyball	-	500	120	-	-	(175)	445
Sports Medicine	512	-	-	-	-	(224)	288
Spear-It	391	-	-	-	-	-	391
Malone Stadium Suites Licensing	46,320	-	-	8,013	-	-	54,333
<b>TOTAL</b>	<b>\$ 101,235</b>	<b>\$ 281,388</b>	<b>\$ 120,700</b>	<b>\$ 46,825</b>	<b>\$ -</b>	<b>\$ (417,536)</b>	<b>\$ 132,612</b>

**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION  
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, SCHOLARSHIPS  
FOR THE YEAR ENDED JUNE 30, 2007**

Temporarily Restricted Endowment	Balance June 30, 2006 Funds Available	Contributions	Earnings	Other Revenue	Staff Support	General Scholarships	Transfers/ Endowments	Balance June 30, 2007 Funds Available
Buchanan	\$ -	\$ -	2,186	\$ -	\$ -	(2,180)	\$ (6)	\$ -
Butler	-	-	1,302	-	-	(1,300)	(2)	-
Burroughs	1,416	-	520	-	-	(520)	-	1,416
Fant	-	-	755	-	-	(755)	-	-
Huffman	1,055	-	249	-	-	(245)	-	1,059
Huntsman	-	-	1,316	-	-	(1,315)	(1)	-
Malone	-	-	1,206	-	-	(1,205)	(1)	-
Martin	18,394	-	2,178	-	-	(2,175)	-	18,397
Parker	-	-	1,283	-	-	(1,280)	(3)	-
Pittington	-	-	28	-	-	(25)	(3)	-
Rivers	-	-	3,623	-	-	(3,620)	(3)	-
Smith	-	-	3	-	-	-	(3)	-
Shows	-	-	1,039	-	-	(1,035)	(4)	-
<b>TOTAL</b>	<b>\$ 20,865</b>	<b>\$ -</b>	<b>\$ 15,688</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (15,655)</b>	<b>\$ (26)</b>	<b>\$ 20,872</b>

THE UNIVERSITY OF LOUISIANA AT MONROE  
ATHLETIC FOUNDATION  
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

Permanently Restricted Endowment	Balance June 30, 2006 Endowment Principal	ENDOWMENT PRINCIPAL			Balance June 30, 2007 Endowment Principal
		Contributions	Earnings	Transfers/ Endowments	
Buchanan	\$ 57,952	\$ 6,857	\$ 1,035	\$ 6	\$ 65,850
Burroughs	13,280	-	235	-	13,515
Butler	36,757	-	588	2	37,347
Fant	21,328	-	341	-	21,669
Huffman	5,984	-	113	-	6,097
Huntsman	37,154	-	594	1	37,749
Malone	34,067	-	545	1	34,613
Martin	43,101	-	984	-	44,085
Parker	36,151	135	580	3	36,869
Pittington	779	-	12	3	794
Rivers	90,060	17,500	1,718	3	109,281
Shows	29,356	-	470	4	29,830
Smith	-	120	2	3	125
TOTAL	<u>\$ 405,969</u>	<u>\$ 24,612</u>	<u>\$ 7,217</u>	<u>\$ 26</u>	<u>\$ 437,824</u>



**LITTLE & ASSOCIATES, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**Communication of Significant Deficiencies to Management** Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

To the Board of Directors  
The University of Louisiana at Monroe  
Athletic Foundation  
(A Nonprofit Organization)

We appreciate the opportunity to conduct your audit this year. As we've discussed with you previously, we are writing to you as we complete the audit to communicate any control deficiencies we identified during the audit and determined to be significant deficiencies or material weaknesses. This communication is a requirement of the new auditing standard: Statement on Auditing Standards (SAS) 112: Communicating Internal Control Related Matters. The new standard applies to the audits of any financial statements with periods ending on or after December 15, 2006.

In planning and performing our audit of the financial statements of The University of Louisiana at Monroe Athletic Foundation as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered The University of Louisiana at Monroe Athletic Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency as listed as ML07-1 in the following attached schedule to be a significant deficiency in internal control.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Little & Associates, LLC*

Monroe, Louisiana  
November 15, 2007

## Schedule of Management Letter Comments

### ML07-1 Inadequate Controls Over Accounting and Recording of Payments in Kind

#### Repeat Comment from Prior Year:

During the audit, it came to our attention that the controls over the accounting and recording of payments in kind have not been fully implemented. Payments in kind are received by various people affiliated with the Foundation. The Foundation needs to adhere to a system whereby the transaction is documented with the payee's information, the value of the payment in kind, a description of the property or service and the date of the transaction. All possible affiliates of the Foundation which may accept in-kind donations should follow the proper procedures for documenting all in-kind donations as received. All documentation should be submitted to the Director's office, where a master schedule of the payments in kind will be maintained. The Foundation should periodically inspect payments in kind items as to proper recording of value and description. Although acknowledgement letters are being sent to the various vendors and supporters regarding their payments in kind with the value attached to it as the in-kind donations, there were instances during the audit of in-kind donations where no acknowledgement letter was noted.

**The University of Louisiana at Monroe  
Athletic Foundation  
3601 Desiard  
Monroe, Louisiana 71209**

**November 26, 2007**

**Management's Corrective Action Plan**

**ML07-1 Inadequate Controls Over Accounting and Recording of Payments in Kind**

Condition: The controls over the accounting and recording of payments in kind have not been fully implemented. The Foundation needs to adhere to a system whereby the transaction is documented with the payee's information, the value of the payment in kind, a description of the property or service and the date of the transaction and posted properly in the general ledger.

Corrective Action: The Athletic Foundation will continue to work to fully implement the procedures and accounting for payments in kind (PIK). In the past, some PIKs, which were given over the course of the year, were keyed at year end. Now we are working on keying this type of PIK as an "intent" or "pledge". Upon monitoring the receipt of this type of PIK, we are keying half of the PIK in January, and the other half in June once the pledged value of the PIK has been fulfilled. At our last Coach's Forum, each coach was given new policy and procedures for accepting PIK from constituents. This form includes the constituent information, value & description of the contribution. It will recognize PIKs received and PIKs that are pledged. We are working with our coaches and our constituents and educating them on the importance of completing this form at the time of contribution or pledge. We will continue to monitor this progress monthly.

Responsible Party for Corrective Action: Toni Bacon, Executive Director